

**FORTIETH JUDICIAL
DISTRICT COURT
ST. JOHN THE BAPTIST PARISH
EDGARD, LOUISIANA**

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2010

FORTIETH JUDICIAL DISTRICT COURT ANNUAL FINANCIAL REPORT

December 31, 2010

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FORTIETH JUDICIAL DISTRICT COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2010

This discussion and analysis of the Fortieth Judicial District Court's financial performance provides an overview of the financial activities as of and for the fiscal year ended December 31, 2010. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (Government-Wide Financial Statements) provide information about the governmental activities as a whole and present a longer-term view of the finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds (Fund Financial Statements) tell how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the operations in more detail than the government-wide statements by providing information about the most significant funds.

Our auditor has provided assurance in his independent auditor's report that the basic financial statements are fairly stated. The auditor, regarding the Other Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Report.

Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities report information as a whole and about activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the net assets and changes in them. You can think of net assets—the difference between assets and liabilities—as one way to measure the financial health, or financial position. Over time, increases or decreases in net assets are one indicator of whether its financial health is improving or deteriorating.

FORTIETH JUDICIAL DISTRICT COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2010

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds—not as a whole. Some funds are required to be established by State laws. The Fortieth Judicial District Court uses only the governmental type of fund with the following accounting approach. Most of the basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.

FINANCIAL HIGHLIGHTS

Our financial statements provide these insights into the results of this year's operations:

- As a result of this year's operations assets exceeded liabilities by \$415,757 (net assets).
- Total net assets are comprised of the following:
 - (1) Investment in capital assets of \$19,679 including the cost of office equipment and furniture, net of accumulated depreciation.
 - (2) Unrestricted net assets of \$396,078 representing the portion available to maintain the continuing obligations to citizens and creditors.
- Total spending for all judicial activities was \$439,712 for the year, which was \$17,946 less than the program revenues (\$457,658) for these activities.
- The governmental funds reported total ending fund balance of \$396,078, of which all was considered unreserved. This compares to the prior year ending fund balance – of \$369,648, showing an increase of \$26,730 during the current year.

FINANCIAL ANALYSIS AS A WHOLE (GWFS)

The Statement of Net Assets and the Statement of Activities reports on only one type of activity – governmental activities. Most of the basic instructional and support services are reported as this type. Operating grants and contributions and criminal and civil fees charged finance most of these activities.

FORTIETH JUDICIAL DISTRICT COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2010

Our analysis below focuses on the net assets of the governmental-type activities:

Condensed Statement of Net Assets

	2010	2009	Dollar Change	Total Percent Change
Current and Other Assets	\$ 400,642	\$ 392,421	\$ 8,221	2.1%
Capital Assets	19,679	20,088	(409)	-2.0%
Total Assets	420,321	412,509	7,812	1.9%
Current Liabilities	4,564	6,609	(2,045)	-30.9%
Total Liabilities	4,564	6,609	(2,045)	-30.9%
Invested in Capital Assets	19,679	20,088	(409)	-2.0%
Unrestricted	396,078	385,812	10,266	2.7%
Total Net Assets	\$ 415,757	\$ 405,900	\$ 9,857	2.4%

Net assets increased by \$9,857 as a result of this year's operations, which indicates that the overall financial position improved during the year. Unrestricted net assets—the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements—absorbed most of the increase this year. The balance in net assets represents the accumulated results of all past years' operations.

	2010	2009	Change	Change
Charges for Services	\$160,206	\$127,722	32,484	25.4%
Operating Grants and Contributions	297,452	337,854	(40,402)	-12.0%
Program Expenses:				
Current	432,819	411,403	21,416	5.2%
Depreciation - unallocated	6,893	6,914	(21)	-0.3%
Total program expenses	439,712	418,317	21,395	5.1%
Net program income	17,946	47,259	29,313	-62.0%
General revenues	8,378	13,318	(4,940)	-37.1%
Change in Net Assets	26,324	60,577	(34,253)	-99.1%
Net Assets:				
Beginning of the year, restated	389,433	345,323	44,110	12.8%
End of the year	<u>\$415,757</u>	<u>\$405,900</u>	<u>\$ 9,857</u>	<u>2.4%</u>

Total revenues for the year in governmental activities were \$466,036 (\$457,658 in program revenues and \$6,893 in general revenues). The total cost of all judicial programs and services was \$439,712 with no new programs added this year.

FORTIETH JUDICIAL DISTRICT COURT
St. John the Baptist Parish
Edgard, Louisiana

As of and for the Year Ended December 31, 2010

JUDGES

Division A

Honorable Madeline Jasmine

Division B

Honorable Mary Hotard Becnel

Division C

Honorable J. Sterling Snowdy

FORTIETH JUDICIAL DISTRICT COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2010

FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS (FFS)

The Fortieth Judicial District Court uses funds to help it control and manage money for particular purposes. Looking at individual funds helps you consider whether the Court is being accountable for the resources provided to it but may also give you more insight into the overall financial health.

The governmental funds reported a combined fund balance of \$396,078. This reflects an increase of \$26,730 from last year. This increase is primarily the result of the events and programs described within the analysis of the governmental activities.

Following is some of the changes in major funds:

Most of the General Fund's revenue (\$151,233 or 89%) was from fees generated from criminal and civil cases. Other significant revenue of \$19,542 or 11% was from Supreme Court reimbursements. The major expenditures in the general fund were for library expenses (\$28,367), office supplies (\$22,785), professional fees (\$12,475) and salary reimbursements of (\$17,030). General Fund's fund balance of \$299,592 available at the beginning of the year slightly increased by \$42,335 to end the year with unreserved fund balance of \$341,927.

The other major fund was the Adult Drug Court Fund. Just about all of the revenue (\$230,618) was from the State of Louisiana in the form of a grant. The major expenditures of \$155,155 for administrative services, \$16,996 for building rent, \$12,658 for payroll taxes and \$10,979 for drug testing and treatment services were all in connection with the drug court program. The beginning fund balance of \$79,617 at the beginning of the year decreased by \$11,380 and had a prior period adjustment of \$16,467 to end the year with fund balance of \$51,770.

CAPITAL ASSETS

The investment in capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2010 and 2009 was \$19,679 and \$20,088 respectively.

FORTIETH JUDICIAL DISTRICT COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2010

	2010	2009
Division A	\$ 69,785	\$ 68,416
Division B	54,932	54,106
Division C	53,381	51,429
Adult Drug Court	24,113	22,490
Fins	2,658	4,088
Juvenile Probation - Div B	4,363	4,363
Total Cost	209,232	204,892
Accumulated Depreciation	189,553	184,804
Net Capital Assets	\$ 19,679	\$ 20,088
Depreciation Expense	\$ 6,893	\$ 6,915

This year there was \$6,528 of additions, reflecting the net increase in capital assets. More detailed information about the capital assets is presented in Note 4 to the financial statements.

BUDGETS

The original budget for all funds was not amended during the year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The management of the Judicial District court is in the process of approving the 2011 budget. There are no major changes expected to the budget compared to this year's budget. Expenditures are expected to remain around the same since there are no changes in staffing levels and major purchases anticipated.

CONTACTING FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Fortieth Judicial District Court's finances and to show accountability for the money it received. If you have questions about this report or need additional financial information, contact:

Honorable Judge Sterling Snowdy, Chief Judge,
P.O. Box 308,
Edgard, LA 70049
Phone number 985-497-5580.

FINANCIAL SECTION



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Judges of the Fortieth Judicial District Court
St. John the Baptist Parish
Edgard, Louisiana

We have audited the accompanying financial statements of the governmental activities and each major fund of the Fortieth Judicial District Court, a component unit of St. John the Baptist Parish as of and for the year ended December 31, 2010 which collectively comprise the basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Fortieth Judicial District Court. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the Fortieth Judicial District Court as of December 31, 2010, and the respective changes in financial position for the year then ended, in conformity with auditing standards generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 31, 2011, on our consideration of the Fortieth Judicial District Court's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

To the Judges of the Fortieth Judicial District Court
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The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide and opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Required Supplementary Information, as listed in the foregoing table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Stagni & Company

Thibodaux, Louisiana
May 31, 2011



FORTIETH JUDICIAL DISTRICT COURT
ST. JOHN THE BAPTIST PARISH

Statement of Net Assets - Governmental Activities

December 31, 2010

ASSETS

Cash and cash equivalents	\$ 356,140
Receivables	46,062
Capital Assets, net of depreciation	<u>19,679</u>
TOTAL ASSETS	<u>421,881</u>

LIABILITIES

Due to other governments	<u>6,124</u>
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NET ASSETS

Invested in capital assets	19,679
Unrestricted	<u>396,078</u>
TOTAL NET ASSETS	<u>\$ 415,757</u>

See Notes to Financial Statements.

FORTIETH JUDICIAL DISTRICT COURT
ST. JOHN THE BAPTIST PARISH

Statement of Activities - Governmental Activities
For the Year Ended December 31, 2010

	<u>Expenses</u>	<u>Charges for services</u>	<u>Operating Grants</u>	<u>Net (Expense) Revenue</u>
FUNCTIONS/PROGRAMS				
Judicial activities:	\$439,712	\$ 160,206	\$ 297,452	\$ 17,946
Total governmental activities	<u>439,712</u>	<u>160,206</u>	<u>297,452</u>	<u>17,946</u>
GENERAL REVENUES				
Interest earned				<u>8,378</u>
TOTAL GENERAL REVENUES				8,378
CHANGE IN NET ASSETS				26,324
NET ASSETS:				
Beginning of year, restated				<u>389,433</u>
End of year				<u>\$ 415,757</u>

See notes to financial statements.

FORTIETH JUDICIAL DISTRICT COURT
ST. JOHN THE BAPTIST PARISH

Balance Sheet - Governmental Funds
December 31, 2010

	General Fund	Adult Drug Court	Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 335,359	\$ 20,781	\$ -	\$ 356,140
Receivables	8,964	33,157	3,941	46,062
TOTAL ASSETS	\$ 344,323	\$ 53,938	\$ 3,941	\$402,202
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable & accrued liabilities	\$ 2,396	\$ 2,168	\$ 1,560	\$ 6,124
Total liabilities	2,396	2,168	1,560	6,124
Fund Balances:				
Unreserved - undesignated	341,927	51,770	2,381	396,078
Total fund balances	341,927	51,770	2,381	396,078
TOTAL LIABILITIES AND FUND BALANCES	\$ 344,323	\$ 53,938	\$ 3,941	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds - net book value:

Net assets of governmental activities

19,679

\$ 415,757

See notes to financial statements.

**FORTIETH JUDICIAL DISTRICT COURT
ST. JOHN THE BAPTIST PARISH**

Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
December 31, 2010

	General Fund	Adult Drug Court	Nonmajor Funds	Total Governmental Funds
REVENUES				
Criminal Fees	\$ 117,318	\$ 3,901	\$ 5,072	\$ 126,291
Civil Fees	33,915	-	-	33,915
Supreme Court Reimbursements	19,542	-	-	19,542
Interest & Miscellaneous	3,315	509	4,554	8,378
Grants	-	230,618	47,292	277,910
Total Revenues	<u>174,090</u>	<u>235,028</u>	<u>56,918</u>	<u>466,036</u>
EXPENDITURES - JUDICIAL:				
Current:				
Advertising & Public Relations	4,768	673	-	5,441
Conferences & Dues	6,030	1,610	210	7,850
Equipment Lease	3,981	-	-	3,981
Jury & Court Lunches	1,186	136	-	1,322
Insurance	3,845	3,032	10,709	17,586
Misc & Bank Charges	484	22	3,498	4,004
Library	28,367	-	-	28,367
Office Supplies & Operations	22,785	7,658	102	30,545
Professional Fees	12,475	4,280	5,384	22,139
Rent Building	-	16,996	-	16,996
Repairs & Maintenance	2,725	4,485	-	7,210
Administrative Service	-	155,155	-	155,155
Testing & Laboratory	-	17,965	-	17,965
Licenses & Permits	-	600	-	600
Payroll Taxes	-	12,658	-	12,658
Salary Reimbursement	17,030	-	37,411	54,441
Supplemental Pay	7,299	850	-	8,149
Telephone	6,982	6,743	1,201	14,926
Treatment Services	-	10,979	-	10,979
Travel & Training	8,892	944	2,628	12,464
Total current expenditures	<u>126,849</u>	<u>244,786</u>	<u>61,143</u>	<u>432,778</u>
Capital outlay	<u>4,906</u>	<u>1,622</u>	<u>-</u>	<u>6,528</u>
Total Expenditures	<u>131,755</u>	<u>246,408</u>	<u>61,143</u>	<u>439,306</u>
Excess (Deficiency) of Revenues Over Expenditures	42,335	(11,380)	(4,225)	26,730
FUND BALANCES				
Beginning of year, restated	<u>299,592</u>	<u>63,150</u>	<u>6,606</u>	<u>369,348</u>
End of year	<u>\$341,927</u>	<u>\$51,770</u>	<u>\$2,381</u>	<u>\$396,078</u>

RECONCILIATION:

Net change in fund balances—total governmental funds from above \$ 26,730

Governmental funds report capital outlays as expenditures.

However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	6,528
Loss on disposal of asset	(41)
Depreciation	<u>(6,893)</u>
	(406)
Change in net assets - governmental activities	<u>\$ 26,324</u>

See notes to financial statements.

FORTIETH JUDICIAL DISTRICT COURT
Notes to Financial Statements
For the Year Ended December 31, 2010

Introduction

The Fortieth Judicial District Court was created by Act No. 52 of the 1984 regular Louisiana Legislative Session as a level of the judicial branch of government and is charged with trying all cases that involve the government and with the administration of justice within its jurisdiction, which encompasses all of St. John the Baptist Parish. The Fortieth Judicial District is comprised of three (3) independently elected judges with 6 year-terms.

Note 1 Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying basic financial statements have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

Fortieth Judicial District Court judges are independently elected officials. However, the Fortieth Judicial District Court is fiscally dependent on the St. John the Baptist Parish Government for office space, courtrooms, and related utility costs, as well as partial funding of salary costs.

The accompanying financial statements present information only on the funds maintained by the Fortieth Judicial District Court and do not present information on the St. John the Baptist Parish Government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. Fund Accounting

The accounting system is organized and operated on a fund basis whereby a separate self-balancing set of accounts is maintained for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The various funds in the financial statements in this report are grouped into two broad categories as follows:

FORTIETH JUDICIAL DISTRICT COURT
Notes to Financial Statements
For the Year Ended December 31, 2010

Note 1 **Summary of Significant Accounting Policies (Continued)**

C. Fund Accounting (Continued)

Governmental Fund Types

Governmental funds account for all or most of the general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources that may be used to finance future period programs or operations. The following are the Fortieth Judicial District Court's major governmental funds:

The General Fund – The Judicial Expense Fund was created by the State of Louisiana Act No. 52, House Bill No. 39 of the 1984 regular Legislative session. It authorized collection from every person filing any type of civil suit or proceeding and who is not otherwise exempted by law from the payment of court costs, a sum not to exceed fifteen dollars. In all criminal cases, there shall be collected an amount not to exceed seven dollars and fifty cents from every defendant who is convicted after a trial or other plea of guilty or who forfeits his bond. These costs are to be in addition to all other fines, costs or forfeitures imposed by law. Act 834, Section 571.11 of the 1993 Regular Legislative Session, authorizes all judgments of bond forfeitures resulting from the posting of surety bond in criminal proceeding in the State of Louisiana shall be collected by the district attorney. The district attorney shall distribute ten percent of all funds collected to the court fund of the parish where the bond was posted. In general, the funds may be used for any purpose or purposes connected with the incidental or related to proper administration or function of the offices of the individual judges.

Adult Drug Court – This fund receives revenue from a grant from the Louisiana Law Enforcement Commission and is administered by Division A.

FORTIETH JUDICIAL DISTRICT COURT
Notes to Financial Statements
For the Year Ended December 31, 2010

Note 1 Summary of Significant Accounting Policies (Continued)

D. Measurement Focus / Basis of Accounting

Fund Financial Statements (FFS)

The amounts reflected in fund financial statements, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of operations.

The amounts reflected in the fund financial statements, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The court considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues – Court fines and fees, and interest are recorded when earned and measurable.

Expenditures – The major expenditures are recorded when earned and payable or when incurred.

Government-Wide Financial Statements (GWFS)

The government-wide financial statements display information as a whole. These statements include all the financial activities. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed).

FORTIETH JUDICIAL DISTRICT COURT

Notes to Financial Statements

For the Year Ended December 31, 2010

Note 1

Summary of Significant Accounting Policies (Continued)

D. Measurement Focus / Basis of Accounting (Continued)

Government-Wide Financial Statements (GWFS) (Continued)

Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

Program Revenues - Program revenues included in the column labeled Statement of Activities are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the general revenues.

E. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the court may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

F. Investments

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

G. Capital Assets

Capital assets are capitalized at historical cost or estimated if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Capital assets are recorded in the GWFS. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Furniture and equipment	5-7 years

FORTIETH JUDICIAL DISTRICT COURT

Notes to Financial Statements

For the Year Ended December 31, 2010

Note 1

Summary of Significant Accounting Policies (Continued)

H. Restricted Net Assets

For government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either:

1. externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
2. imposed by law through constitutional provisions or enabling legislation.

I. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Any designations of fund balance represent tentative management plans that are subject to change.

J. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

K. Budgets

As required by Louisiana Revised Statutes, the District adopted a comprehensive budget for all of the District's funds; budgets are adopted for its governmental fund on a modified accrual basis that is consistent with generally accepted accounting principles.

Budgets are adopted for the fiscal year and lapse at year-end. The budget is amended by supplemental appropriations as needed to during the year to comply with state law.

FORTIETH JUDICIAL DISTRICT COURT
Notes to Financial Statements
For the Year Ended December 31, 2010

Note 2 Deposits

Deposits:

Demand (deposits, interest bearing demand deposits and certificates of deposit) are recorded at cost, which approximates fair value. At December 31, 2010, the carrying amount of deposits was \$354,580 and the bank balance was \$365,410.

The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit.

Custodial credit risk is the risk that in an event of a bank failure, deposits may not be returned. Of the total bank balance, \$35,561 is exposed to custodial credit risk. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposits insurance or the pledge of securities owned by the fiscal agent bank.

The market values of the pledged securities plus the federal deposit insurance (FDIC) must at all time equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Pledged securities adequately secure these deposits from risk. The collateral must be held at the pledging bank's trust department or other bank, acting as the pledging bank's agent, in the District Court's name.

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the entity that the fiscal agent has failed to pay deposited funds upon demand.

FORTIETH JUDICIAL DISTRICT COURT
Notes to Financial Statements
For the Year Ended December 31, 2010

Note 3 Capital Assets

Capital assets and depreciation activity for the year is as follows:

Furniture & Equipment	Beginning Balance	Additions	Deletions	Ending Balance
Division A	\$68,416	\$ 1,370		\$ 69,786
Division B	54,106	1,584	\$ 758	54,932
Division C	51,429	1,952		53,381
Adult Drug Court	22,490	1,622		24,112
Fins	4,088		1,429	2,659
Juvenile Probation – Div B	4,363			4,363
Total Cost	\$204,892	\$ 6,528	\$ 2,187	\$ 209,233
Less accumulated depreciation	\$184,804	\$6,893	\$2,143	\$189,554
Furniture & Equipment, net	\$20,088			\$ 19,679

Depreciation expense for the year recorded for governmental activities was \$6,893.

Note 4 Risk Management

The District Court is exposed to various risks of loss related to tort; theft of, damage to, or destruction of assets; errors and omissions; and injuries to the public; and natural disasters. To protect against these risks, the District Court has purchased commercial or other insurance for the losses to which it is exposed.

Note 5 Beginning Fund Balance / Net Assets, Restated

An adjustment was made to the beginning fund balance and net assets of the Drug Court fund for the correction an accounting estimate. The amount of reimbursements for unallowable expenses recorded in 2008 was overstated by \$16,467. Consequently the beginning fund balance and net assets was decreased by that amount.

FORTIETH JUDICIAL DISTRICT COURT
ST. JOHN THE BAPTIST PARISH

Budget Comparison Schedule
Governmental Funds
For the Year Ended December 31, 2010

	Budgeted Amounts		Total	Variance -
	Original	Final	Governmental	Favorable
		(no amendments)	Funds	(Unfavorable)
REVENUES				
Criminal Fees	\$ 83,385	\$ 83,385	\$ 126,291	\$ 42,906
Civil Fees	27,389	27,389	33,915	6,526
Supreme Court Reimbursements	17,248	17,248	19,542	2,294
Interest & Miscellaneous	232	232	8,378	8,146
Grants	310,592	310,592	277,910	(32,682)
Total Revenues	438,846	438,846	466,036	27,190
EXPENDITURES - JUDICIAL:				
Current:				
Advertising & Public Relations	4,218	4,218	5,441	(1,223)
Conferences & Dues	6,903	6,903	7,850	(947)
Equipment Lease	4,346	4,346	3,981	365
Jury & Court Lunches	2,278	2,278	1,322	956
Insurance	14,920	14,920	17,586	(2,666)
Misc & Bank Charges	3,935	3,935	4,004	(69)
Library	24,715	24,715	28,367	(3,652)
Office Supplies & Operations	32,184	32,184	30,545	1,639
Professional Fees	14,069	14,069	22,139	(8,070)
Rent Building	17,106	17,106	16,996	110
Repairs & Maintenance	8,071	8,071	7,210	861
Administrative Service	191,496	191,496	155,155	36,341
Testing & Laboratory	16,083	16,083	17,965	(1,882)
Licenses & Permits	1,800	1,800	600	1,200
Payroll Taxes	16,332	16,332	12,658	3,674
Salary Reimbursement	55,664	55,664	54,441	1,223
Supplemental Pay	7,279	7,279	8,149	(870)
Telephone	13,010	13,010	14,926	(1,916)
Treatment Services	14,926	14,926	10,979	3,947
Travel & Training	14,135	14,135	12,464	1,671
Total current expenditures	463,470	463,470	432,778	30,692
Capital outlay	5,000	5,000	6,528	(1,528)
Total Expenditures	468,470	468,470	439,306	29,164
Excess (Deficiency) of Revenues				
Over Expenditures	(29,624)	(29,624)	26,730	56,354
FUND BALANCES				
Beginning of year, restated	-	-	369,348	369,348
End of year	(\$29,624)	(\$29,624)	\$396,078	\$425,702

See notes to financial statements.

***REPORTS REQUIRED BY
GOVERNMENT AUDITING
STANDARDS***



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Judges of the Fortieth Judicial District
St. John the Baptist Parish
Edgard, Louisiana

We have audited the basic financial statements of the governmental activities and each major fund of the Fortieth Judicial District Court, a component unit of the St. John the Baptist Parish Government for the year ended December 31, 2010 and have issued our report thereon dated May 31, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District Court's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance

As part of obtaining reasonable assurance about whether the Fortieth Judicial District Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that is required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management and others within the entity and is not intended to be and should not be used by anyone other than these specified parties.

Stagni & Company

Thibodaux, Louisiana
May 31, 2011



**FORTIETH JUDICIAL DISTRICT COURT
ST. JOHN THE BAPTIST PARISH
Edgard, Louisiana
SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2010**

We have audited the basic financial statements of the governmental activities and each major fund of the Fortieth Judicial District Court, a component unit of St. John the Baptist Parish, as of and for the year ended December 31, 2010, and have issued our report thereon dated May 31, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Our audit of the financial statements resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses

No

Significant Deficiencies

No

Compliance

Compliance Material to Financial Statements

No

b. Federal Awards Not applicable

Internal Control

Material Weaknesses ☐ Yes ☐ No

Reportable Conditions ☐ Yes

☐ No

Type of Opinion On Compliance

Unqualified ☐ Qualified ☐

For Major Programs

Disclaimer ☐ Adverse ☐

Are their findings required to be reported in accordance with Circular A-133, Section .510(a)?

c. Identification of Major Programs: Not applicable

CFDA Number (s)

Name of Federal Program (or Cluster)

Dollar threshold used to distinguish between Type A and Type B Programs: \$

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133

NONE

Section II Financial Statement Findings

Section III Federal Award Findings and Questioned Costs

N/A

